

## Making negotiation a corporate capability

Our Negotiation as a Corporate Capability concept aims to create a common approach to and shared processes for negotiation throughout the organisation. Negotiation becomes less a matter of individual behaviour and more of a corporate activity, over and above country, culture and personal qualities. This means an overall perspective on different kinds of negotiation, for example, making business deals, reaching purchasing agreements, resolving conflicts and making decisions.

Achieving this successfully requires top management involvement from the very start. Customers, suppliers and other organisations should recognise the company's approach to negotiation and the values upon which it is based, regardless of negotiator.

The Negotiation as a Corporate Capability concept has its roots in the ground-breaking negotiation research of the Harvard Program on Negotiation in the USA, a springboard for many innovative developments in business and professional negotiation.

What does Negotiation as a Corporate Capability involve?

Negotiation is often associated with discrete negotiation situations. Organisations seldom have an overall, structured perspective on negotiation. Most often, younger negotiators learn negotiation from more experienced managers and colleagues. This may work in some cases, but may also lead to poor negotiation habits being transferred from generation to generation. A common problem is when different negotiators use different negotiation approaches with the same supplier, which may create uncertainty as to the organisation's values.

Many companies have difficulty co-ordinating their negotiations when different departments, each with its own agenda, work together in a big negotiation. Sometimes the people back home show little interest in the result of a difficult negotiation (beyond the price), or in how the result was reached. All too few companies work systematically to evaluate why their negotiations are successes or failures and thereby learn from experience.

What is a "corporate negotiation capability"?

Strategic corporate negotiation capability is based on a number of building blocks.

Companies and organisations need to create a policy on each of these.

Negotiation goals:

A consistent strategy with preferred negotiation approaches for defined counterparts and contexts.

For example:

- Do we want a long-term relationship?
- Is the goal to reach an agreement with maximum value for both parties ("win-win")? Or are we thinking short-term?
- Is the goal to satisfy our own interests regardless of the other party's ("win-lose")?

Other goals?

- Common language, processes and tools for preparing, conducting and following-up negotiations.
- A reward structure that promotes internal collaboration, supports value-creation and is in line with the strategic approach.
- A well-developed negotiation database to support negotiators.
- A feedback process for individual and corporate learning, in which negotiations are always evaluated systematically in order to create a learning organisation.
- A process for systematically evaluating and documenting individuals' strengths and weaknesses in different negotiation contexts.
- A competence development policy.

In short, a strategic approach to negotiation gives increased profitability and growth thanks to better negotiation results. It also reduces both short-term and long-term risks related to negotiations, since the preconditions are made clear.

How can we help you develop negotiation as a corporate capability?

One possible first step is to organise a negotiation workshop for managers. This aims to help them better understand the various aspects of the concept and thus also the strategic advantages of developing negotiation as a corporate capability. The goal is also to identify the areas in which the company can develop its negotiation capability and to develop an action plan based on this.